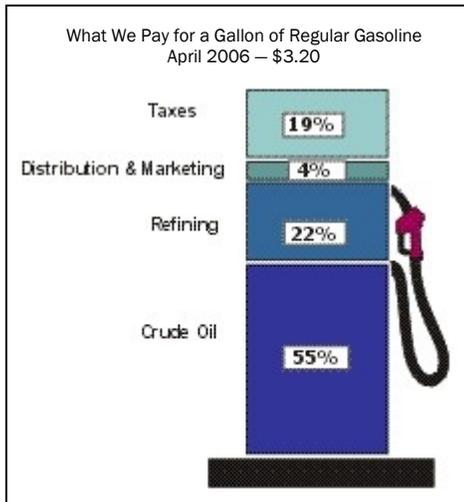


Why the Increase in the Cost of Gas?



Steady growth in world oil demand, combined with only modest increases in world oil production capacity, and the continuing risks of geopolitical instability, are expected to keep crude oil prices high through 2006. These same factors, as well as the ongoing implementation of domestic fuel quality requirements, are expected to keep consumer prices for motor fuels and other petroleum products high in 2006. That is why Congress must act quickly and decisively to increase domestic production of oil by opening the Artic National Wildlife Refuge (ANWR) and the Outer Continental Shelf to exploration.

Furthermore, no new refineries have been built in the United States in more than 30 years due to arcane and ineffective environmental regulations. For that reason, Congressman Nunes supported the GAS Act last year. This common sense proposal encourages the construction of new refineries to increase supply and address soaring gasoline prices; limits “boutique fuels” that have propped up gasoline prices by artificially limiting supply; promotes new pipelines to get new crude oil and refined products to consumers at lower prices; promotes conservation through carpooling and

fuel-efficiency awareness campaigns, among other initiatives.

By increasing domestic supplies of oil and the ease with which those supplies can move about the country, folks will see a drop in the price they pay at the pump.

Tips to Help Reduce Your Tax Liability and Home Energy Costs

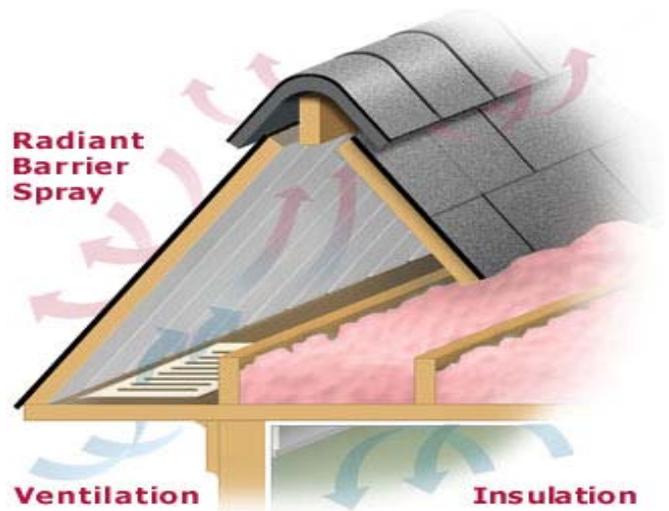
This past summer, Congress passed the Energy Policy Act of 2005. This vitally important legislation includes a tax credit of up to \$500 for increasing insulation in existing homes. This incentive went into effect for home energy efficiency improvements made in 2006 and 2007. The credit is for 10% of qualified home improvements for a total of \$500 over the two tax years. Other measures you can take to earn the tax credit include updating your windows and installing energy efficient heating and cooling equipment.

Congressman Nunes supported this incentive because it will help folks in the San Joaquin Valley put more

money back in their pockets. Furthermore, he encourages all residents to look at their energy use and take advantage of these tax credits to start saving money now.

Additionally, there are simple things that everyone can do, at little or no cost, to help control energy use. One of the most effective things is to add the right amount of insulation to your attic. Coupled with caulking and sealing around windows and doors, this can save up to 20% on heating and cooling costs according to the Environmental Protection Agency.

With rising energy prices this summer, it will be important for folks to begin think-



ing about ways to reduce their energy consumption. While we were helped this year by a relatively mild winter, we can not assume that the summer months will be as kind. Please look into

these cost and energy saving measures. You can find more information about this tax credit and other energy saving measures at www.energysavers.gov.